Utah electricity bills among lowest in U.S.

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States with low cost residential electricity

Utah residents pay among the lowest prices for electricity in the country.

RANK	STATE	COST PER KILOWATT-HOUR
1	Idaho	6.12¢
2	West Virginia	6.32¢
3	Washington	6.81¢
4-5 TIE	Kentucky and North Dakota	7.13¢ 7.13¢
6	Nebraska	7.43¢
7	Missouri	7.47¢
8	Oregon	7.48¢
9	**Utah**	**7.61¢**
10	Tennessee	7.74¢
	U.S. average	10.40¢

Source: U.S. Energy Information Administration
The Salt Lake Tribune

Utahns who grumble every time they tear open their monthly power bills may want to reconsider.

A new report from the U.S. Energy Information Administration indicates Utah households pay among the lowest prices in the country for electricity.

In 2006, Utahns paid an average of 7.61 cents per kilowatt-hour, or more than 27 percent less than the average price nationwide. A typical Utah household uses about 775 kilowatt-hours of electricity each month.

"Our electricity costs in Utah are relatively low because we have access to low-cost generating resources - coal-fired power plants and hydroelectric facilities," said Dave Eskelsen, spokesman for Rocky Mountain Power, which serves about 85 percent of the state's residents.

The same can be said for the roughly 50 municipally owned utilities and member-owned electrical cooperatives that serve the remaining 15 percent of the state's population. They too get power from coal-fired plants and hydroelectric facilities, while their counterparts in other states get a greater percentage of their electricity from more expensive sources, such as nuclear plants or those that burn natural gas.

The EIA's report noted Hawaiians pay the most for electricity - an average of 23.36 cents per kilowatt-hour. Idaho residents pay the lowest rate at 6.12 cents, followed by West Virginia at 6.32 cents and Washington at 6.81 cents.

Only eight states pay less for their electricity than Utah. Still, Utah's electricity rates have had their ups and downs.

Rates in Utah peaked at around 8.5 cents per kilowatt hour in 1985-86 after Rocky Mountain Power, then known as Utah Power, completed construction of its Huntington and Hunter coal-fired power plants and began to pass those costs along to its customers.

Yet those projects also laid the groundwork for the 30 percent decline in electricity rates that took place between 1990 and 1997, Eskelsen said. "A lot of customers don't remember their rates going down during that time because the decreases were only 1 percent to 2 percent at a time."

Over the past couple of years, Rocky Mountain Power's rates have gone up as the company embarked on an ambitious program to build new generating capacity to meet the demand from anticipated growth in the state's population.

For the time being, though, Rocky Mountain Power's customers are paying 7.54 cents per kilowatt-hour, or slightly less than the EIA's average for Utah. Customer's of the state's municipal utilities pay slightly more.

Leon Pexton, general manager of the Utah Municipal Power Agency that counts Provo, Nephi and Spanish Fork among its members, said Utahns nevertheless are benefiting from years of advanced planning by the state's municipal utilities and Rocky Mountain Power.

"Since a lot of our generating resources were built close to home, we don't have to deal a lot with long-range transmission issues," Pexton said. "We also have a relatively centralized population, which means there are some economies of scale available to utilities operating here."

He noted that one of the big generating resources the state's municipally owned utilities rely upon is the Colorado River Storage Project that provides electricity from the Flaming Gorge and Glenn Canyon dams.

"That power became available in the 1960s and at the time it was expensive," Pexton said. "A lot of the municipally owned utilities took a long-term view and contracted to buy that power, and it's paid off for their customers."